



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

July 9, 1999

S. 800

Wireless Communications and Public Safety Act of 1999

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on June 23, 1999*

SUMMARY

CBO estimates that enacting S. 800 would have no significant effect on the federal budget. The bill would require the Federal Communications Commission (FCC) to designate 911 as the universal emergency telephone number for wireline and wireless service within the United States for reporting an emergency to appropriate authorities and requesting assistance. The bill also would provide protection for wireless carriers and persons using wireless 911 services from liability associated with transmission errors or other technical failures. Under the bill, such liability protection would be no less than that provided in federal and state law for wireline 911 services and users.

S. 800 contains intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA), but would impose no costs on state, local, or tribal governments. The bill would preempt state laws that establish different standards of liability for wireless and wireline users and providers in certain circumstances.

S. 800 would impose a new private-sector mandate on local phone companies and wireless carriers that provide telephone exchange service. CBO estimates that the cost of the mandate would be well below the statutory threshold established in UMRA (\$100 million in 1996, adjusted annually for inflation).

ESTIMATED COST TO FEDERAL GOVERNMENT

Based on information from the FCC, CBO estimates that promulgating regulations to implement this bill would cost less than \$500,000, assuming the availability of appropriated funds. Furthermore, under current law the FCC is authorized to collect fees from the

telecommunications industry sufficient to offset the cost of its regulatory program. Therefore, CBO estimates the net budgetary impact of S. 800 would be negligible.

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

Mandates

S. 800 contains intergovernmental mandates as defined in UMRA, but CBO estimates that these mandates would impose no costs on state, local, or tribal governments. The bill would require that states provide an equal standard of liability for: (1) users of wireless 911 services and users of 911 wireline services, (2) wireless communication companies and wireline communication companies, (3) wireless public safety answering points (PSAPs) and wireline PSAPs, and (4) 911 services provided by wireless companies and 911 services provide by wireline companies.

Information from industry sources and associations of state and local governments indicates that many states currently have no wireless liability laws, and in states that do, they are modeled after and in no case exceed the standards applied to wireline communication companies. Consequently, this provision would not affect state and local budgets.

Other Impacts

Section 3 of the bill would direct the FCC to designate 911 as the universal emergency telephone number. Currently, 911 emergency systems are designated at the local level and many jurisdictions use numbers other than 911 for emergency wireless service (e.g., “*55” or “#77”). Because the FCC’s authority over 911 service is limited to private carriers, not state and local governments, CBO believes it is unlikely that this section would result in an intergovernmental mandate requiring state and local governments to change their emergency numbering systems.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

S. 800 would impose a new private-sector mandate on local phone companies and wireless carriers that provide telephone exchange service. Under the bill, those companies would be required to provide subscriber identification information (including unlisted and unpublished information) to providers of 911 emergency services and to providers of certain emergency support services used to assist or deliver emergency services. According to industry sources, nearly all local phone companies voluntarily provide such information to 911 providers. Current regulations require that wireless carriers transmit 911 calls (with subscriber identification information) to a designated facility to handle emergency calls. Consequently, CBO believes that this private-sector mandate would have little effect on the operations of those telecommunications carriers and, therefore, would have direct costs well below the statutory threshold established in UMRA (\$100 million in 1996, adjusted annually for inflation).

PREVIOUS CBO ESTIMATE

On February 23, 1999, CBO transmitted a cost estimate for H.R. 438, the Wireless Communications and Public Safety Act of 1999, as ordered reported by the House Committee on Commerce on February 11, 1999. H.R. 438 and S. 800 are very similar, and CBO estimated that the net budgetary impact of H.R. 438 also would be negligible.

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